



CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

April 27, 2000

**S. 1608**

**Secure Rural Schools and Community Self-Determination Act of 2000**

*As reported by the Senate Committee on Energy and Natural Resources  
on April 25, 2000*

**SUMMARY**

CBO estimates that enacting S. 1608 would increase direct spending by \$248 million in fiscal year 2001 and by about \$1.5 billion over the 2001-2005 period. Because enacting S. 1608 would affect direct spending, pay-as-you-go procedures would apply. We also estimate that implementing the bill would increase discretionary spending by less than \$500,000 a year, assuming the availability of appropriated funds.

S. 1608 would require additional payments to those states and counties that received a portion of the receipts from the sale of resources on certain federal lands during fiscal years 1984 through 1999. Under S. 1608, eligible counties could choose to receive payments calculated according to a new formula specified in the bill or to receive payments due under current law. S. 1608 specifies that the additional payments required by this bill would be made either from receipts from the use of certain federal lands, or from the general fund in the Treasury. Counties electing to receive payments under the new formula could use up to 85 percent of the payments for public schools and local roads. Other payment amounts would be used for natural resource projects recommended by local resource advisory committees and approved by either the Secretary of Agriculture or the Secretary of the Interior.

S. 1608 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The increased payments guaranteed by this bill would benefit eligible states and counties.

## ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1608 is shown in the following table. The costs of this legislation fall within budget function 800 (general government).

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
<b>DIRECT SPENDING</b>						
Spending Under Current Law <sup>a</sup>						
Estimated Budget Authority	277	272	260	252	252	254
Estimated Outlays	277	272	260	252	252	254
Proposed Changes						
Estimated Budget Authority	0	248	273	300	313	326
Estimated Outlays	0	248	273	300	313	326
Spending Under S. 1608						
Estimated Budget Authority	277	520	533	552	565	580
Estimated Outlays	277	520	533	552	565	580
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Estimated Authorization Level	0	b	b	b	b	b
Estimated Outlays	0	b	b	b	b	b

a. Payments under current law include receipt-sharing and guaranteed payments to states and counties from lands administered by the U.S. Forest Service and the Bureau of Land Management.

b. Less than \$500,000.

## BASIS OF ESTIMATE

CBO estimates that, relative to current law, enacting S. 1608 would increase direct spending by \$248 million in fiscal year 2001 and a total of about \$1.5 billion over the 2001-2005 period. We also estimate that implementing the bill would require an increase in discretionary spending to operate the advisory committees authorized by the bill; such additional spending would total less than \$500,000 each year, beginning in fiscal year 2001.

## **Direct Spending**

**Receipt-Sharing and Guaranteed Payments Under Current Law.** Offsetting receipts generated from the sale of resources on federal land result in payments to states and counties based on formulas specific to the type of federal land involved and are known as receipt-sharing payments. S. 1608 would affect receipt-sharing payments from three types of federal land: National Forest System (NFS) lands, which are managed by the Forest Service; Oregon and California Railroad grant lands, which are managed by the Bureau of Land Management (BLM) or the Forest Service; and Coos Bay Wagon Road (CBWR) grant lands, which are managed by BLM.

Eligible states and counties receive 25 percent of the receipts from the sale of resources on NFS land, and 50 percent of receipts from the use of Oregon and California grant lands and Coos Bay Wagon Road grant lands are distributed to eligible counties. However, a different payment process is temporarily in effect for certain counties where federal land is affected by decisions related to the northern spotted owl. Under the Omnibus Budget Reconciliation Act of 1993 (OBRA-93), those counties receive a special guaranteed payment (also called a safety net payment) through fiscal year 2003 based on the historic levels of their receipt-sharing payments from the federal government.

**Additional Payments.** S. 1608 would repeal the current safety net payments created by OBRA-93 and replace them with the new payment for each state or county calculated under the bill. Each affected county could choose either the receipt-sharing payment currently applicable to the federal land in that jurisdiction, or an amount equal to the average of the three highest receipt-sharing payments (or safety net payments) that the county received between 1984 and 1999. Starting in fiscal year 2001, this annual payment would be made to each eligible jurisdiction, with an annual adjustment for inflation. Based on information from the Forest Service and BLM, we estimate that the payments required by S. 1608 would increase federal payments by \$248 million in fiscal year 2001 and a total of about \$1.5 billion over the 2001-2005 period.

**Authority to Spend Receipts from Special Projects.** If counties choose to receive payments based on the new formula, the bill would require that between 15 percent and 20 percent of those payments be used for special projects recommended by local resource advisory committees and approved by either the Secretary of Agriculture or the Secretary of the Interior. Any proceeds generated from those projects could be spent without further appropriation by the Secretary who approved the project. Based on information from the agencies, receipts from special projects authorized under the bill probably would be collected under current law. Thus, offsetting receipts probably would be unchanged, but this provision would likely increase direct spending of those receipts. Based on information from the

agencies, CBO estimates that the increase in direct spending under this provision would be about \$6 million each year starting in 2003.

### Spending Subject to Appropriation

S. 1608 would authorize the Secretary of Agriculture and the Secretary of the Interior to establish or use existing resource advisory committees to prioritize the use of funds reserved by counties for special projects. The bill would authorize the appropriation of such sums as necessary to operate those committees for fiscal years 2001 through 2007. Based on information from the Forest Service and BLM, CBO estimates that additional discretionary spending for advisory committees would be less than \$500,000 in each of those years, assuming appropriation of the necessary amounts.

### PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the current year, the budget year, and the succeeding four years are counted.

	By Fiscal Year, in Millions of Dollars										
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Changes in outlays	0	248	273	300	313	326	339	353	366	380	394
Changes in receipts	Not applicable										

### INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1608 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The increased payments guaranteed by this bill would benefit eligible states and counties.

## **PREVIOUS CBO ESTIMATE**

On October 1, 1999, CBO transmitted a cost estimate for H.R. 2389, similar legislation that was ordered reported by the House Committee on Agriculture on September 23, 1999. S. 1608 has an eligibility period for payments that encompasses two more years than H.R. 2389, but differences between the two estimates are largely driven by differences between the formulas that would be used under each bill to calculate payments to jurisdictions. The formula authorized under S. 1608 would result in larger payments to some counties; thus, our estimate of additional direct spending under that bill is higher.

## **ESTIMATE PREPARED BY:**

Federal Costs: Megan Carroll

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Jean Wooster

## **ESTIMATE APPROVED BY:**

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis